

1 Max Weinstein, Mass. Bar No. 600982
2 Email: max.weinstein@cfpb.gov
3 Admitted *Pro Hac Vice*
4 Tracy Hilmer, DC Bar No. 421219
5 Email: tracy.hilmer@cfpb.gov
6 Admitted *Pro Hac Vice*
7 CONSUMER FINANCIAL
8 PROTECTION BUREAU
9 1700 G Street, NW
10 Washington, DC 20552
11 Phone: 202-435-9172
12 Fax: (202) 435-5468
13

14 Colin Hector, Cal. Bar No. 281795
15 Email: colin.hector@cfpb.gov
16 CONSUMER FINANCIAL
17 PROTECTION BUREAU
18 301 Howard St., Suite 1200
19 San Francisco, CA 94105
20 Phone: (681) 326-7093
21 Fax: (202) 435-5468
22

23 *Attorneys for Plaintiff*
24 *Consumer Financial Protection Bureau*
25

26 **UNITED STATES DISTRICT COURT**
27 **CENTRAL DISTRICT OF CALIFORNIA**
28 **SOUTHERN DIVISION**

Consumer Financial Protection Bureau,

Plaintiff,

v.

Experian Information Solutions, Inc.,

Defendant.

) Case No: 8:25-cv-00024-MWC-DFM
)
)

) **[REDACTED VERSION]**
)
)

) **SECOND AMENDED COMPLAINT**
) **FOR INJUNCTIVE RELIEF,**
) **REDRESS, DISGORGEMENT,**
) **AND CIVIL MONEY**
) **PENALTIES**
)

) **ACTION SEEKING**
) **NATIONWIDE RELIEF**
)

INTRODUCTION

1
2 1. The Consumer Financial Protection Bureau (“Bureau”) brings this
3 action against Experian Information Solutions, Inc. (“Experian” or “the
4 Company”) under the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. § 1681 et
5 seq., and the Consumer Financial Protection Act of 2010 (“CFPA”), 12 U.S.C.
6 §§ 5536(a)(1)(a)–(b), 5564, and 5565. This action alleges that Experian violated
7 both Acts by failing to reasonably reinvestigate consumer disputes challenging the
8 accuracy or completeness of information in consumer reports, including by failing
9 to forward all relevant information to furnishers, failing to provide adequate or
10 accurate notice to consumers of the outcome of their disputes, and failing to utilize
11 reasonable procedures to ensure the accuracy and completeness of information in
12 consumers’ files.

13 2. Experian is one of the largest consumer reporting agencies (“CRAs”)
14 in the country. A primary aspect of its business is collecting and organizing data on
15 most adult Americans to generate consumer reports, consumer file disclosures, and
16 credit scores that reflect consumers’ credit activity and history. As Experian
17 acknowledges, its consumer reporting services “play an integral part in the
18 financial lives of millions of people.”

19 3. This is because Experian sells its consumer reports to creditors and
20 businesses who are evaluating whether to offer a consumer various products,
21 services, and opportunities, such as a loan, a job, or housing.

22 4. Information reflected in consumer reports is provided to CRAs by
23 data furnishers, such as banks, credit card companies, or debt collectors, and other
24 sources. Errors in consumer reports can be significant for consumers, resulting in
25 the denial of credit, employment, or housing, or being offered less favorable credit
26 terms.

27 5. Recognizing the serious consequences borne by consumers when their
28 consumer reports contain inaccurate information, Congress enacted the FCRA in

1 1970 to, in part, “[e]nsure that consumer reporting agencies [like Experian]
2 exercise their grave responsibilities with fairness, impartiality and a respect for the
3 consumer’s right to privacy.” 15 U.S.C. § 1681(a)(1)-(4).

4 6. The FCRA demands that CRAs use reasonable procedures to assure
5 maximum possible accuracy of information contained in consumer reports, 15
6 U.S.C. § 1681e(b), and provides a mechanism for consumers to dispute any
7 incomplete or inaccurate information in their report. 15 U.S.C. § 1681i.

8 7. When a consumer disputes the accuracy or completeness of
9 information in their consumer report, the FCRA requires Experian to conduct a
10 “reasonable reinvestigation” of the disputed information and report the results of
11 the reinvestigation to the consumer, all within certain timelines. 15 U.S.C.
12 § 1681i(a). At the conclusion of the reinvestigation, Experian must modify or
13 delete any item of information found to be inaccurate or incomplete, or that it
14 could not verify. 15 U.S.C. § 1681i(a)(5). For any information deleted as a result
15 of a dispute, the FCRA imposes specific obligations on Experian that must be
16 satisfied before that information may be reinserted into a consumer’s file. 15
17 U.S.C. § 1681i(a)(5)(C).

18 8. Despite its obligations under the FCRA, Experian fails consumers
19 who dispute information in their consumer reports at every stage of the dispute
20 process.

21 9. First, Experian’s faulty intake procedures fail to accurately convey all
22 relevant information regarding the dispute to the original furnisher of the disputed
23 information, and, at times, Experian simply fails to provide furnishers with
24 consumer-submitted documentation that supports the dispute.

25 10. Second, Experian uncritically accepts the original furnisher’s response
26 to the disputed information, even when that response was improbable or illogical
27 on its face or when Experian has other information in its possession that alerts or
28 should alert Experian to the possibility that the furnisher might be unreliable.

12. Additionally, Experian's problematic dispute resolution processes have resulted in several other issues, including Experian's outright failure to reinvestigate a significant number of disputes within the timeline required by the FCRA, its ongoing refusal to reinvestigate hard inquiry disputes, and its routine failure to ensure that previously deleted tradelines are not improperly reinserted into a consumer's file.

14. Experian's failures are an abdication of its obligations under the FCRA and the CFPA, and the Bureau brings this action to rectify these failings and impose civil money penalties.

15. Venue is proper in this district because the Defendant resides and does business in this district. 12 U.S.C. § 5564(f).

16. The Bureau is an Executive Branch agency of the United States created by the CFPA, 12 U.S.C. § 5491(a). The Bureau is authorized to initiate civil actions in federal district court to secure appropriate relief for violations of Federal consumer financial law, 12 U.S.C. §§ 5564(a)-(b) and 5565, including the FCRA and the CFPA, 12 U.S.C. § 5481(12)(F) and (14).

1 17. Experian is a nationwide consumer reporting agency with its North
2 American Headquarters in Costa Mesa, California. At all times material to this
3 Complaint, Experian transacted business in this district and nationwide.

4 18. Experian collects, analyzes, maintains, or provides consumer report
5 information or other account information, including information related to the
6 credit history of consumers. This information is used or expected to be used in
7 connection with any decision regarding the offering or provision of a consumer
8 financial product or service. These products or services are consumer financial
9 products or services covered by the CFPA. 12 U.S.C. § 5481(5) and (15)(A)(ix).

10 19. Further, Experian offers consumer reports, consumer file disclosures
11 and credit scores, which are consumer financial products or services because they
12 are or relate to consumer reports or other account information, including
13 information relating to the credit history of consumers that Experian collects and
14 maintains about a consumer's account. Experian offers or provides these financial
15 products and services to consumers primarily for personal, family, or household
16 purposes, and delivers, offers, and provides them in connection with consumer
17 financial products or services such as consumer credit. These products or services
18 are therefore consumer financial products or services covered by the CFPA. 12
19 U.S.C. § 5481(5) and (15)(A)(ix).

20 20. Because Experian engages in offering or providing a consumer
21 financial product or service, Experian is a "covered person" under the CFPA. 12
22 U.S.C. § 5481(6).

23 21. Experian is a "consumer reporting agency" as defined by the FCRA.
24 *See* 15 U.S.C. § 1681a(f). Experian compiles and maintains files on consumers on
25 a nationwide basis as that term is defined in the FCRA, 15 U.S.C. § 1681a(p).
26 Experian is therefore subject to the FCRA.
27
28

BACKGROUND

22. The FCRA imposes a variety of obligations on CRAs like Experian to ensure that they report accurate information in consumer reports.

23. A core obligation is that if a consumer disputes the completeness or accuracy of information in their consumer report, the CRA must “conduct a reasonable reinvestigation” to determine whether the disputed information is accurate. 15 U.S.C. § 1681i(a)(1)(A).

24. Within five business days of receiving the dispute, the CRA must provide notice of the dispute to the furnisher of the disputed information. A furnisher is any entity that provides financial information about a consumer to a CRA, such as a bank, credit card company, or debt collector. The notice to the furnisher must include all relevant information received by the CRA regarding the dispute. 15 U.S.C. § 1681i(a)(2)(A).

25. The CRA must complete the reinvestigation within 30 days after the dispute is received unless an extension is sought. 15 U.S.C. § 1681i(a)(1)(A).

26. After the reinvestigation, the CRA must provide the consumer “written notice” of the “results of the reinvestigation” no later than five business days after its completion. 15 U.S.C. § 1681i(a)(6)(A).

27. The FCRA further requires that the furnisher maintain reasonable procedures to prevent the reinsertion of previously deleted information, notify consumers within five business days if previously deleted information was reinserted, and ensure maximum possible accuracy of consumer reports. 15 U.S.C. §§ 1681i(a)(5)(B), (C), 1681e(b).

e-OSCAR and the ACDV Process

28. When a CRA receives a consumer dispute, the primary way information about the dispute is communicated to furnishers is on a web-based platform called e-OSCAR. Information about the disputed information is

transmitted over the e-OSCAR platform via an Automated Credit Dispute Verification form (“ACDV”).

29. The ACDV is a one-page form that contains identifying information about the consumer such as name, address, social security, and date of birth. The ACDV also reflects the disputed account (also known as a tradeline) as it is currently reported. The ACDV provides limited information about the consumer’s dispute, including a three-digit “dispute code” that indicates the basis of the dispute. There is sometimes a short free-form description of the dispute, based on information provided by the consumer. The ACDV may also have other relevant information attached to it, including consumer-submitted documentation supporting the dispute.

30. Below is a reproduction of an Experian ACDV:

PROGRAM: [REDACTED]		EXPERIAN-CONSUMER ASSISTANCE - CAPS		PAGE: [REDACTED]																					
RUN DATE: [REDACTED]		ACDV Response		DOCUMENT VIEWED: [REDACTED]																					
RUN TIME: [REDACTED]		Auto Response:		[REDACTED]																					
SUBCODE: [REDACTED]		ACCOUNT #:		[REDACTED]																					
DISPUTE REASON: [REDACTED]		SUBSCRIBER: [REDACTED]		[REDACTED]																					
REMARKS: [REDACTED]		[REDACTED]		Office: [REDACTED]																					
[REDACTED]		[REDACTED]		Date Sent: [REDACTED]																					
[REDACTED]		[REDACTED]		Date Due: [REDACTED]																					
[REDACTED]		[REDACTED]		Resp Date: [REDACTED]																					
[REDACTED]		[REDACTED]		DNR Date: [REDACTED]																					
[REDACTED]		[REDACTED]		Name Flag: [REDACTED]																					
[REDACTED]		[REDACTED]		Second Name: [REDACTED]																					
[REDACTED]		[REDACTED]		Curr Addr Flag: [REDACTED]																					
[REDACTED]		[REDACTED]		Prev Addr Flag: [REDACTED]																					
[REDACTED]		[REDACTED]		SSN Flag: [REDACTED]																					
[REDACTED]		[REDACTED]		DOB Flag: [REDACTED]																					
[REDACTED]		[REDACTED]		Authorized Verifier: [REDACTED]																					
[REDACTED]		[REDACTED]		Phone: [REDACTED]																					
[REDACTED]		[REDACTED]		DF Contact Phone #: [REDACTED]																					
TRADE INFORMATION		SUBSCRIBER RESPONSE		ON PROFILE																					
Acct Condition/Currn Status: [REDACTED]		[REDACTED]		[REDACTED]																					
Acct Status/Rating: [REDACTED]		[REDACTED]		[REDACTED]																					
Payment Rating: [REDACTED]		[REDACTED]		[REDACTED]																					
CII: [REDACTED]		[REDACTED]		[REDACTED]																					
Balance: [REDACTED]		[REDACTED]		[REDACTED]																					
Balance Date: [REDACTED]		[REDACTED]		[REDACTED]																					
Amt Past Due: [REDACTED]		[REDACTED]		[REDACTED]																					
Orig Delinq Date: [REDACTED]		[REDACTED]		[REDACTED]																					
Credit Limit/Orig Amt: [REDACTED]		[REDACTED]		[REDACTED]																					
High Credit Balance: [REDACTED]		[REDACTED]		[REDACTED]																					
Charge Off Amt: [REDACTED]		[REDACTED]		[REDACTED]																					
Sch Monthly Pay: [REDACTED]		[REDACTED]		[REDACTED]																					
Act Pay: [REDACTED]		[REDACTED]		[REDACTED]																					
Portfolio Name: [REDACTED]		[REDACTED]		[REDACTED]																					
Date Last Pay: [REDACTED]		[REDACTED]		[REDACTED]																					
Open Date: [REDACTED]		[REDACTED]		[REDACTED]																					
Closed Date: [REDACTED]		[REDACTED]		[REDACTED]																					
Spec Comm Code: [REDACTED]		[REDACTED]		[REDACTED]																					
Cons Compl Code: [REDACTED]		[REDACTED]		[REDACTED]																					
Type: [REDACTED]		[REDACTED]		[REDACTED]																					
Terms: [REDACTED]		[REDACTED]		[REDACTED]																					
Freq: [REDACTED]		[REDACTED]		[REDACTED]																					
Original Creditor: [REDACTED]		[REDACTED]		[REDACTED]																					
Special Payment/Date/Amt: [REDACTED]		[REDACTED]		[REDACTED]																					
Response History Grid												On-File History Grid													
Year	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan	Year	Dec	Nov	Oct	Sep	Aug	Jul	Jun	May	Apr	Mar	Feb	Jan
2020													2020												
2019													2019												
2018													2018												
2017													2017												
2016													2016												
2015													2015												
2014													2014												
2013													2013												

1 31. After the furnisher reviews the information provided in and attached
2 to the ACDV, it returns the ACDV to the CRA, indicating with a two-digit
3 “response code” whether the disputed information is accurate or should be
4 modified or deleted.

5 32. The ACDV is typically the only way CRAs and furnishers
6 communicate during a reinvestigation.

7 **FACTUAL ALLEGATIONS**

8 **Experian Fails to Adequately Convey All Relevant Information to Furnishers**

9 33. Consumers who identify inaccurate or incomplete information in their
10 Experian consumer report can submit disputes to Experian by mail, over the
11 telephone, or electronically through Experian’s website (its “Online Dispute
12 Center”) or mobile application. Experian typically processes over a million
13 consumer disputes per month.

14 34. When submitting a dispute, consumers can, and frequently do, support
15 their disputes by submitting relevant documentation, such as bank statements,
16 canceled checks, or settlement agreements, among other things. Consumers can
17 submit supporting documents via mail or electronically.

18 35. For disputes accompanied by consumer-submitted documentation,
19 Experian’s policies require that its agents determine whether the documents are
20 sufficiently conclusive for Experian to make the change requested by the
21 consumer. Experian refers to this as making an “internal update.”

22 36. Experian resolves a minority of disputes via an internal update. If
23 Experian does not make an internal update, it prepares an ACDV to transmit to the
24 furnisher through e-OSCAR. Experian’s policy directs its agents to attach any
25 consumer-submitted documentation that contains additional relevant information to
26 the ACDV, although in some cases its agents fail to do so.

1 37. The dispute codes included in the ACDV are integral to the dispute
2 resolution process. As explained above, dispute codes are used by Experian to
3 communicate the underlying basis of the dispute to the furnisher.

4 38. Because Experian relies on the ACDV to communicate with
5 furnishers about consumer disputes, it is important that Experian's selected dispute
6 code accurately conveys the basis of the dispute to the furnisher. But Experian
7 routinely sends dispute codes to furnishers that mischaracterize or fail to convey
8 highly relevant information about consumers' disputes.

9 39. Many of these failures stem from Experian's Online Dispute Center.
10 When consumers submit a dispute on the Online Dispute Center, they select a
11 dispute description from a prepopulated list to categorize the nature of their
12 dispute, which Experian then translates into a formal e-OSCAR dispute code that it
13 inputs into the ACDV. Experian's Online Dispute Center presents consumers with
14 a significantly smaller set of dispute descriptions than Experian uses when
15 consumers have submitted mail and telephone disputes. On the Online Dispute
16 Center, for example, there are no dispute descriptions that correspond to formal e-
17 OSCAR codes for account settled, date of first delinquency disputed, paid by
18 insurance, consumer stated company will delete, and consumer stated company
19 will change.

20 40. As an illustration, Experian's Online Dispute Center instructs
21 consumers to select a dispute description of "Account paid in full" if consumers
22 "believe [they] have paid the account in full or that it was paid in settlement." A
23 separate dispute description for account settled is not available to consumers on the
24 Online Dispute Center, even though it would more precisely describe the nature of
25 the dispute.

26 41. When Experian generates an ACDV for disputes described as
27 "Accounts paid in full" on the Online Dispute Center, it translates this dispute
28 description to e-OSCAR dispute code 106 ("Disputes present/previous Account

1 Status, History”) indicating that the consumer is disputing the account’s status (i.e.,
2 whether the lender or creditor considers the account current or in collections).
3 Experian does not translate a dispute submitted by the Online Dispute Center to e-
4 OSCAR dispute code 010 (“Settlement or partial payments accepted”). Indeed,
5 even though Experian’s own agents use e-OSCAR code 010 to characterize
6 telephone and mail disputes, Experian does not permit the use of the e-OSCAR
7 settlement dispute code for similar disputes received through the Online Dispute
8 Center.

9 42. As a result, furnishers receive nothing more than a generic, unspecific
10 code (“Disputes present/previous Account Status, History”), when consumers are
11 actually disputing the accuracy of the account because they have settled for less
12 than the total amount owed. Experian could, but does not, inform these furnishers
13 that the bases of consumers’ disputes are actually “Settlement or partial payments
14 accepted.”

15 43. This is just one example of how furnishers receive either a
16 mischaracterization or a less precise description of the basis for disputes submitted
17 via the Online Dispute Center.

18 44. Other failures stem from Experian’s frequent use of an inaccurate or
19 confusing dispute code when processing disputes submitted via telephone or mail.
20 For example, when a consumer lodges a dispute claiming that an account was paid,
21 Experian inserts into the ACDV the e-OSCAR dispute code labeled “Claims
22 account closed” instead of an appropriate dispute code for paid accounts.

23 45. As another example, Experian inserts into the ACDV the intentionally
24 generic e-OSCAR dispute code labeled “Claims inaccurate information. Did not
25 provide specific dispute.” even where the consumer provides specific information
26 pertaining to the dispute, such as disputing the date of first delinquency or the
27 payment of an account, and for which a more specific dispute code, such as
28

1 “Disputes Date of First Delinquency” and “Disputes present/previous Account
2 Status, History” is available and appropriate.

3 46. And as another example, Experian agents apply dispute codes
4 requesting updates that are already reflected on consumers’ tradelines and
5 therefore do not correspond to the actual substance of consumers’ disputes. As one
6 illustration, agents apply the “Claims account closed” dispute code to tradelines
7 that *already display as closed*. The fact that the update requested is already
8 reflected on the tradeline suggests that the basis for the underlying dispute differs
9 from the dispute code selected by Experian, and that Experian has not accurately
10 described the nature of the dispute to the furnisher.

11 47. By failing to select appropriate dispute codes, Experian fails to
12 accurately convey the basis of consumers’ disputes to furnishers in what is usually
13 the *only* communication Experian has with the furnisher during its reinvestigation.
14 By using inaccurate or misleading dispute codes, Experian fails to provide the
15 furnisher with all relevant information about the consumer’s dispute and fails to
16 fulfill its reasonable reinvestigation obligations.

17 48. In addition to transmitting misleading, confusing, or inaccurate
18 dispute codes to furnishers, Experian also fails to always include relevant
19 consumer submitted documentation with the ACDV transmitted to the furnisher,
20 despite Company policy requiring agents to do so. Relevant consumer
21 documentation often contains information that is not conveyed elsewhere on the
22 ACDV, including probative evidence that supports the merits of the consumer’s
23 dispute. As a result, Experian fails to provide the furnisher with all relevant
24 information about the consumer’s dispute and fails to fulfill its reasonable
25 reinvestigation obligations.

26 49. When Experian fails to provide the furnisher with documents
27 submitted by the consumer in support of their dispute, Experian deprives the
28 furnisher of critical and sometimes dispositive information regarding a dispute

1 such as a letter from the furnisher's debt collector acknowledging payment in full
2 made by the consumer.

3 50. These failures hinder the reinvestigation. The absence of consumer
4 submitted documents prevents the furnisher from resolving disputes correctly, and
5 results in inaccurate information remaining in consumers' files.

6 51. As a result of the above, Experian fails to conduct a reasonable
7 reinvestigation and convey all relevant information to furnishers, which causes or
8 increases the risk that inaccurate information remains in consumers' files.

9 **Experian Regularly Relies Exclusively on Furnishers' ACDV Responses**
10 **During its Reinvestigation Even When Presented with Information Suggesting**
11 **that the Furnisher is Unreliable**

12 52. Experian regularly relies exclusively on furnishers' ACDV responses
13 when conducting a reinvestigation, even when Experian possesses information that
14 alerts or should alert Experian to the possibility that the furnisher of the disputed
15 information might be unreliable. As a result, Experian permits inaccurate
16 information to remain in consumers' files. Experian does so even though cost-
17 effective measures exist to resolve any outstanding factual issues.

18 53. Experian's inappropriate and exclusive reliance on furnishers' ACDV
19 responses occurs in at least three categories of disputes: disputes where consumer
20 documentation provides highly probative evidence about the dispute, disputes
21 where Experian itself possesses relevant information about the dispute in its own
22 consumer files, and disputes where Experian receives illogical and inconsistent
23 ACDV responses from furnishers.

24 54. Consumers often provide documentation that, at a minimum, should
25 put Experian on notice that reinvestigation beyond the furnisher's ACDV response
26 is necessary. For example, consumers frequently provide Experian with the date or
27 case number of a bankruptcy petition discharging a particular debt that is still being
28 reported on their consumer report, or documents reflecting an agreement to settle a
debt for a certain amount. In other instances, consumers provide Experian

1 documentation showing that the furnisher had previously agreed to delete or
2 correct information in the disputed tradeline.

3 55. Such documents are sufficient to put Experian on notice that the
4 furnisher may have transmitted unreliable information. Yet, Experian regularly
5 gives the supporting documents no weight in resolving the dispute and routinely
6 conducts no further reinvestigation of the dispute beyond the furnisher's ACDV
7 response.

8 56. Next, Experian frequently possesses relevant supporting information
9 in *its own consumer files* that should alert it to a furnisher's unreliability. For
10 example, Experian often possesses information confirming the existence of a
11 bankruptcy fitting the description in the consumer's dispute, or information
12 confirming that a consumer has made a settlement payment. Often this information
13 alerts or should alert Experian to the possibility that the tradeline disputed by the
14 consumer might be inaccurate and the furnisher might be unreliable. Yet, Experian
15 routinely conducts no additional reinvestigation based on this information, and
16 instead relies solely on the furnisher's ACDV response to resolve the dispute.

17 57. Finally, Experian frequently receives furnisher responses that contain
18 data that is either illogical or facially and internally inconsistent, but it still accepts
19 the furnisher's response without further reinvestigation into the dispute.

20 58. For example, Experian receives ACDV responses with inconsistent
21 information, such as indicating a consumer's overdue balance is *greater* than the
22 total amount due. Other ACDV responses state that a consumer first became
23 delinquent on an installment debt a month *after* the consumer had paid the account
24 to a zero-dollar balance.

25 59. Receiving an ACDV with illogical or inconsistent data alerts or
26 should alert Experian to the possibility that the original furnisher of the disputed
27 information might be unreliable and the disputed information may be inaccurate.
28

1 Yet, Experian regularly accepts the ACDV response in those circumstances and
2 ignores the fact that it contains illogical or inconsistent information.

3 60. In some instances where Experian receives illogical responses from
4 furnishers, Experian partially implements the furnisher's ACDV response on the
5 consumer's tradeline, but also unilaterally alters the information in the ACDV to
6 make it appear logical and consistent. In doing so, Experian does not take steps to
7 ensure that the changed tradeline is in fact complete and accurate; Experian simply
8 changes the tradeline by applying predetermined business rules. Experian does not,
9 for example, verify the changes with the furnisher, base the changes on another
10 reliable source of information, or confront the furnisher with the apparent error.

11 61. To the detriment of consumers, in all of the above-described
12 scenarios, Experian routinely does nothing more than send an ACDV to the
13 furnisher and implement its response.

14 62. Experian does so without consulting readily available, inexpensive
15 third-party sources of information that are reliable and trustworthy, such as
16 bankruptcy court records, that could accurately and definitively resolve the
17 consumer's dispute. And Experian routinely does not pose any queries to the
18 furnisher for specific factual information, such as the accuracy of representations
19 in a document, the existence of a settlement agreement, or why the furnisher's
20 response appears to be internally illogical and inconsistent.

21 63. Experian's failures to conduct reasonable reinvestigations negatively
22 impact consumers.

23 64. Specifically, Experian's exclusive reliance on furnishers' ACDV
24 responses results in consumer reports maintaining inaccurate information, such as a
25 tradeline with an inaccurate status or balance.

26 65. For example, Experian's failure to give any weight to the payment
27 histories already reflected in its consumer files results in accounts inaccurately
28 reporting as delinquent that should be reporting as settled. Similarly, Experian's

1 failure to reject illogical and internally inconsistent responses results in accounts
2 inaccurately reporting that consumers' past due balances are larger than the total
3 amount consumers owe the furnisher.

4 66. In these and numerous other disputes, Experian accepts and
5 implements the furnishers' response without any further reinvestigation. Experian
6 does so despite the fact that conflicting documentary evidence and internal
7 contradictions reveal the furnishers' ACDV responses to be unreliable. Experian
8 nevertheless relies exclusively on these ACDV responses and thereby causes
9 inaccurate information to remain in consumer reports.

10 67. This inaccurate information predictably and routinely has deleterious
11 impacts on consumers, including lowering their credit score, the denial of credit,
12 housing, employment, or other goods or services, or causing consumers to obtain
13 less favorable credit terms.

14 68. Additionally, consumers waste their time and resources submitting
15 disputes that are not adequately reinvestigated and gathering and submitting
16 documents that are given no consideration in the dispute process.

17 **Experian Fails to Inform Consumers of Reinvestigation Results**

18 69. At the conclusion of a reinvestigation, Experian sends consumers
19 written "results letters" intended to fulfill its statutory obligation to report the
20 results of the reinvestigation. These results letters often misstate the actual result of
21 the reinvestigation, convey internally contradictory information about the result, or
22 simply fail to state any result whatsoever.

23 70. Experian's results letters include an initial section labeled "How to
24 Read Your Results" which lists the possible reinvestigation outcomes of "Deleted,"
25 "Remains," "Updated," and "Processed" and their accompanying definitions.
26 Notably, Experian defines "Updated" four different ways, some of which indicate
27 information *other* than the disputed information was updated.
28

1 71. Below is an example of the relevant portion of an Experian results
2 letter:

3 **How to Read Your Results**

4 **Deleted** - This item was removed from your credit report. **Remains** - The company that reported the information has certified to Experian that the
5 information is accurate. This item was not changed as a result of our processing of your dispute. **Updated** (Your results will indicate which one of the
6 following applies.) – a) The information you disputed has been updated. Please review your report for the details. b) The item you disputed has been
updated, which may include an update to the disputed information. Please review your report for the details. c) The information you disputed has been
verified as accurate, however, information unrelated to your dispute has been updated. Please review your report for the details. d) Information on this item
has been updated. Please review your report for the details. **Processed** - This item was either updated or deleted; Please review your report for the details.

7 72. Directly below that, Experian lists the disputed accounts and the
8 reinvestigation outcome for each.

9 73. On subsequent pages, Experian typically displays a snapshot of how
10 the disputed account appears before and after the reinvestigation. However, the
11 “after” snapshot of the account often looks nearly identical to the “before”
12 snapshot, and the results letter does not explicitly identify what information was
13 updated or changed. Instead, consumers are required to deduce that on their own.
14 In cases of deleted tradelines, no snapshots are provided.

74. Below is an example of a “before” and “after” snapshot from a letter that informed the consumer that their information was updated. The consumer was left to deduce what information was updated. This snapshot was not accompanied by any explanation of what information changed.

Before dispute

Partial Acct # [REDACTED]											
Date opened	First reported	Recent balance	Payment history								
Apr 2019	Dec 2019	\$1,793 as of Aug 2020									
Address ID # [REDACTED]	Terms	Status	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Original creditor [REDACTED]	1 Months	Collection account. \$1,793 past due as of Aug 2020.	2020	ND	C	C	C	C	C	C	
Type [REDACTED]	Monthly payment	This account is scheduled to continue on record until Aug 2022.	2019								C
Responsibility	Credit limit or original amount	Comment	Account History * (AB = Account Balance, DPR = Date Payment Received, SPA = Scheduled Payment Amount, AAP = Actual Amount Paid)								
Individual	\$1,793	Account information disputed by consumer (Meets requirement of the Fair Credit Reporting Act). This item was updated from our processing of your dispute in Aug 2020.	Jul20	Jun20	May20	Apr20	Mar20	Feb20	Jan20	Dec19	
	High balance	Date of Status	AB (\$)	1,793	1,793	1,793	1,793	1,793	1,793	1,793	
	Not reported	Apr 2019	DPR	ND	ND	ND	ND	ND	ND	ND	
			SPA (\$)	ND	ND	ND	ND	ND	ND	ND	
			AAP (\$)	ND	ND	ND	ND	ND	ND	ND	

After dispute

Partial Acct # [REDACTED]											
Date opened	First reported	Recent balance	Payment history								
Apr 2019	Dec 2019	\$1,793 as of Sep 2020									
Address ID # [REDACTED]	Terms	Status	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Original creditor [REDACTED]	1 Months	Collection account. \$1,793 past due as of Sep 2020.	2020	ND	C	C	C	C	C	C	C
Type [REDACTED]	Monthly payment	This account is scheduled to continue on record until Aug 2022.	2019								C
Responsibility	Credit limit or original amount	Comment	Account History * (AB = Account Balance, DPR = Date Payment Received, SPA = Scheduled Payment Amount, AAP = Actual Amount Paid)								
Individual	\$1,793	Account information disputed by consumer (Meets requirement of the Fair Credit Reporting Act). This item was updated from our processing of your dispute in Aug 2020.	Aug20	Jul20	Jun20	May20	Apr20	Mar20	Feb20	Jan20	Dec19
	High balance	Date of Status	AB (\$)	1,793	1,793	1,793	1,793	1,793	1,793	1,793	1,793
	Not reported	Apr 2019	DPR	ND	ND	ND	ND	ND	ND	ND	ND
			SPA (\$)	ND	ND	ND	ND	ND	ND	ND	ND
			AAP (\$)	ND	ND	ND	ND	ND	ND	ND	ND

The original amount of this account was \$1,793

75. Experian’s results letters often provide inaccurate, contradictory, ambiguous, or confusing information to consumers regarding the outcome of their reinvestigation, and fail to inform them of what, if anything, changed on their consumer report as a result of the dispute.

76. For example, a number of Experian results letters state the result of a reinvestigation as “Outcome: Processed – This item was either updated or deleted; Please review your report for the details.”

77. Although a typical results letter includes the before and after snapshots of an updated tradeline, these letters only display how the tradeline appears *before* the dispute.

78. In addition, these results letters use three of the four potential dispute outcomes to describe the results of the investigation (processed, updated, and deleted), including two potentially inconsistent outcomes— updated and deleted.

79. Below is an example of the relevant portion of an Experian results letter:

Here are your results

Credit items

Outcome: Processed - This item was either updated or deleted. Please review your report for the details.

Before dispute

Report #

Partial Acct #

Date opened May 2018	First reported Aug 2018	Recent balance \$6,394 as of Sep 2020	Payment history
Address ID #	Terms 1 Months	Status Collection account, \$6,394 past due as of Sep 2020.	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
Original creditor	Monthly payment Not reported	This account is scheduled to continue on record until Jan 2025.	2020 C C C C C C C C C C C C
Type	Credit limit or original amount \$6,394	Comment Completed investigation of FCRA dispute - consumer disagrees. This item was updated from our processing of your dispute in Sep 2020.	2019 C C C C C C ND C C C C C C
Responsibility	High balance Not reported	Date of Status May 2018	2018 C C C C C C C C C C C C

Account History * (AB = Account Balance, DPR = Date Payment Received, SPA = Scheduled Payment Amount, AAP = Actual Amount Paid)

	Aug20	Jul20	Jun20	May20	Apr20	Mar20	Feb20	Jan20	Dec19	Nov19	Oct19	Oct19
AB (\$)	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394	6,394
DPR	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20	Aug20
SPA (\$)	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND
AAP (\$)	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND	ND

*The original amount of this account was \$6,394

80. These results letters do not provide the result of the reinvestigation. They are confusing and contradictory, and do not adequately inform consumers of the outcome of the reinvestigation. The letters do not identify what information was updated or deleted or even provide an updated credit report or an “after”

snapshot for the consumer to attempt to self-identify the update or deletion. They also fail to clearly identify whether information was updated, or deleted, or both.

81. Another subset of Experian results letters pairs a reinvestigation result of “Outcome: Updated” with before and after snapshots of the tradeline *that show no change*.

82. Below is an example of the relevant portion of an Experian results letter:

Here are your results

Credit items

Outcome: Updated - Information on this item has been updated. Please review your report for the details.

Dispute Results (Continued)

Before Dispute

[REDACTED] Partial Acct # [REDACTED]		Status (Sep 2020) Open	
[REDACTED] No phone # available			
Date opened Mar 2017	Terms 1 Months	Recent balance \$795 as of Aug 2021	Payment history: Aug 2020 - Aug 2021
Address ID # [REDACTED]	Monthly payment \$795	By May 2027, this account is scheduled to go to a positive status.	JAN 2021 ND FEB 2021 OK MAR 2021 ND APR 2021 OK MAY 2021 ND JUN 2021 OK JUL 2021 ND AUG 2021 OK SEP 2021 C OCT 2021 ND NOV 2021 ND DEC 2021 OK
Type [REDACTED]	Credit limit or original amount Not reported	Comment: Payroll deduction.	
Responsibility Individual	High balance Not reported	This item was updated from our processing of your dispute in Aug 2021.	
Account Balance	Aug21 \$1,248	Apr21 \$3,512	Feb21 \$4,719
Date Payment Received	06.19.21	04.16.21	02.19.21
	12.16.20	09.18.20	06.10.20
	05.05.20	04.13.20	02.03.20
	12.17.19	10.15.19	

After Dispute

[REDACTED] Partial Acct # [REDACTED]		Status (Sep 2020) Open	
[REDACTED] No phone # available			
Date opened Mar 2017	Terms 1 Months	Recent balance \$795 as of Aug 2021	Payment history: Aug 2020 - Aug 2021
Address ID # [REDACTED]	Monthly payment \$795	By May 2027, this account is scheduled to go to a positive status.	JAN 2021 ND FEB 2021 OK MAR 2021 ND APR 2021 OK MAY 2021 ND JUN 2021 OK JUL 2021 ND AUG 2021 OK SEP 2021 C OCT 2021 ND NOV 2021 ND DEC 2021 OK
Type [REDACTED]	Credit limit or original amount Not reported	Comment: Payroll deduction.	
Responsibility Individual	High balance Not reported	This item was updated from our processing of your dispute in Aug 2021.	
Account Balance	Aug21 \$1,248	Apr21 \$3,512	Feb21 \$4,719
Date Payment Received	06.19.21	04.16.21	02.19.21
	12.16.20	09.18.20	06.10.20
	05.05.20	04.13.20	02.03.20
	12.17.19	10.15.19	

83. This subset of results letters fail to describe the results of the reinvestigation to the consumer. They do not identify what information was updated and they do not depict any updates in the accompanying tradeline

snapshots. Consumers receiving such a notice have no way of deciphering what information was updated and why, or whether the disputed information itself was updated. Consumers also cannot determine if the update was the result of the reinvestigation, or due to some other reason.

84. A third subset of Experian's results letters describe the outcome of a reinvestigation as "Updated" and provided the following definition: "Information on this item has been updated. Please review your report for the details."

85. Below is an example of the relevant portion of an Experian results letter:

Here are your results

Credit items

Outcome: Updated - Information on this item has been updated. Please review your report for the details.

Before dispute

Report #

Partial Acct #

Date opened
Feb 2016
Address ID #
Type
Responsibility

First reported
Apr 2018
Terms
75 Months
Monthly payment
\$547
Credit limit or original amount
\$19,821
High balance
Not reported
Recent payment
\$547

Recent balance
\$12,181 as of Sep 2020
Status
Open.
By Jan 2025, this account is scheduled to go to a positive status.
This item was updated from our processing of your dispute in May 2020.
Date of Status
Mar 2020

Payment history

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2020	30	30	OK	OK	OK	OK	OK	OK	OK			
2019	60	60	60	60	30	30	30	30	60	60	30	30
2018				30	30	30	30	30	30	30	60	30

After dispute

Partial Acct															
Date opened Feb 2016	First reported Apr 2018	Recent balance \$11,329 as of Oct 2020	Payment history												
Address ID #	Terms 75 Months	Status Open.	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Type	Monthly payment \$547	By Jan 2025, this account is scheduled to go to a positive status. This item was updated from our processing of your dispute in May 2020.	2020	30	30	OK	OK	OK	OK	OK	OK	OK			
Responsibility	Credit limit or original amount \$19,821		2019	60	60	60	60	30	30	30	30	60	60	30	30
	High balance Not reported		2018				30	30	30	30	30	30	30	60	30
	Recent payment \$1,094	Date of Status Mar 2020													

86. These letters fail to convey the outcome of the reinvestigation to consumers, because they do not identify what, if anything, has changed regarding the disputed information. It is unclear from these results letters whether the

1 disputed information remained, but other information changed, or whether the
2 disputed information itself was updated. It is also unclear whether the updated
3 information changed as a result of the reinvestigation or some other reason.

4 **Experian Fails to Prevent New Furnishers From Reinserting Information**
5 **Deleted as the Result of a Dispute**

6 87. The FCRA requires Experian to maintain reasonable procedures to
7 assure maximum possible accuracy of the credit information it reports, and to
8 prevent reinsertion of previously deleted information. 15 U.S.C. §§ 1681i(a)(5)(C),
9 1681e(b).

10 88. “Reinsertion” occurs when information in a consumer’s file that was
11 deleted because it was found to be inaccurate, incomplete, or unverifiable during a
12 reinvestigation reappears in the consumer’s file. 15 U.S.C. § 1681i(a)(5).

13 89. Experian’s procedures for preventing reinsertions are limited and only
14 prevent the same furnisher from re-furnishing a previously deleted tradeline.

15 90. These procedures do not prevent a new furnisher from reinserting a
16 previously deleted tradeline. Reinsertion may occur, for example, when a furnisher
17 deletes a disputed tradeline as a result of a dispute and then sells the account to a
18 debt buyer that re-furnishes it.

19 91. Experian has failed to implement basic matching tools that prevent or
20 greatly reduce the likelihood of reinsertion by a new furnisher of a previously
21 deleted tradeline.

22 92. For example, Experian has not implemented procedures to compare
23 dates of first delinquencies, recent credit balance amounts, high credit balances, or
24 the names of original creditors, to ascertain whether a newly reported tradeline
25 constitutes a reinsertion.

26 93. When Experian allows new furnishers to reinsert previously deleted
27 information, Experian does not require the furnishers to certify that the information
28 is complete and accurate. Experian also does not notify consumers within five

1 business days that the previously deleted information was reinserted, provide the
2 identity and contact information of furnishers contacted in connection with the
3 reinsertion, or inform consumers of their right to add a statement to their consumer
4 file disputing the accuracy or completeness of the disputed information.

5 94. As a result, consumers who have disputed the accuracy of an account
6 and thought that their consumer report had been corrected, instead see the same
7 inaccurate information reappear on their consumer report without explanation
8 under the name of a new furnisher.

9 **Experian Refuses to Reinvestigate Certain Disputes Entirely**

10 95. Experian routinely fails to reinvestigate when a consumer makes a
11 dispute about a hard inquiry.

12 96. A “hard inquiry” is a notation that a creditor or entity has requested to
13 access a consumer’s file. The appearance of a hard inquiry on a consumer’s file
14 indicates that a consumer applied for credit. A hard inquiry often impacts a
15 consumer’s credit score.

16 97. A dispute about a hard inquiry may assert that the creditor or entity
17 lacked a permissible purpose for accessing the consumer report and therefore the
18 inquiry should not be reflected on the consumer report. In situations where the
19 consumer did not apply for credit, but a hard inquiry is reflected on their consumer
20 report, the accuracy of their consumer report is distorted because it falsely appears
21 that the consumer applied for credit.

22 98. As a matter of policy, Experian does not investigate hard inquiry
23 disputes unless the consumer’s allegation meets narrow criteria, such as an
24 allegation that the inquiry was a byproduct of fraud or identity theft.

25 99. Absent such allegations, Experian will not conduct a reinvestigation
26 and instead simply sends a notice to the consumer explaining the nature of
27 inquiries and inviting consumers to provide additional information, such as
28 allegations of identity theft or fraud, to support the dispute.

1 100. As a result, the hard inquiry remains on the individual's consumer
2 report, even if the inquiry was not permissible and even if the consumer did not
3 actually apply for the account.

4
5 **Experian's Problematic Dispute Resolution Processes Resulted in Experian**
6 **Failing to Initiate Reinvestigations into Certain Disputes and Caused Other**
7 **Errors in Consumers' Files**

8 *Experian's Failures Caused at Least Three Types of Problems for Consumers*
9 *During Discrete Time Periods*

10 101. Experian failed to properly initiate reinvestigations in certain
11 circumstances. These failures include at least three discrete types of conduct,
12 including failure to forward disputes within the timeline required by the FCRA,
13 simply deleting tradelines without any reinvestigation and then, on occasion,
14 subsequently reinserting that information, and failing to delete information
15 inaccurately reflecting joint user status on certain accounts.

16 102. First, between January 2018 and October 2021, Experian failed to
17 forward more than 2 million disputes to furnishers within five business days, as
18 required by the FCRA.

19 103. Second, between February 2019 and February 2020, Experian deleted
20 more than 100,000 disputed tradelines instead of initiating and completing a
21 reinvestigation within 30 days, as required by the FCRA. Then, sometime after the
22 30-day window, Experian processed the disputes and reinserted some of the
23 deleted information.

24 104. Third, between June 2020 and December 2020, furnishers identified
25 many accounts that inaccurately reflected joint user status. However, Experian's
26 automated systems rejected certain furnishers' attempts to remove a joint user from
27 an account in response to a dispute.

28 105. Although these disputes triggered manual review by Experian agents,
the agents still did not remove the joint user status.

1 106. These errors resulted in more than 1,700 consumer files inaccurately
2 continuing to reflect joint user status.

3 *The Discrete Claims are Timely*

4 107. As of February 1, 2021, the Bureau did not possess facts sufficient to
5 establish and had not discovered the violations described in paragraphs 101-106.

6 108. On October 29, 2021, the Bureau issued the first of nine civil
7 investigative demands (“CIDs”) relating to Experian’s dispute resolution practices.
8 This first CID was addressed to Experian Holdings, Inc. (“Holdings”).

9 109. [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]
15 [REDACTED]
16 [REDACTED]

17 110. [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]

22 111. Counsel for the parties executed a tolling agreement (“the First
23 Tolling Agreement”) signed January 27 and 28, 2022. This agreement named the
24 Bureau, Holdings, and Experian as parties.

25 112. Between May 2, 2022, and October 26, 2023, the Bureau served eight
26 additional CIDs, all addressed to Experian and not Holdings.

27 113. [REDACTED]
28 [REDACTED]

1 114. [REDACTED]

2 [REDACTED]

3 [REDACTED]

4 [REDACTED]

5 [REDACTED]

6 [REDACTED]

7 115. [REDACTED]

8 [REDACTED]

9 [REDACTED]

10 [REDACTED]

11 116. These tolling agreements named only the Bureau and Holdings as
12 parties.

13 117. [REDACTED]

14 [REDACTED]

15 [REDACTED]

16 118. [REDACTED]

17 [REDACTED]

18 [REDACTED]

19 [REDACTED]

20 119. [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 120. On July 26 and July 29, 2024, counsel for the parties executed another
26 tolling agreement. This tolling agreement (the “Fourth Tolling Agreement”)
27 replaced and superseded the parties’ First, Second, and Third Tolling Agreements.
28

1 As with the Second and Third Tolling Agreements, the Fourth Tolling Agreement
2 named only the Bureau and Holdings as parties.

3 121. [REDACTED]
4 [REDACTED]
5 [REDACTED]
6 [REDACTED]

7 122. The omission of Experian as a party to the Second, Third, and Fourth
8 Tolling Agreements was inadvertent and a mutual mistake. [REDACTED]
9 [REDACTED]
10 [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]
14 [REDACTED]

15 [REDACTED] In addition, counsel for
16 “Experian” signed all three tolling agreements and did not alert the Bureau that
17 Experian was not named as a party to the agreements.

18 123. The Fourth Tolling Agreement provides that:

19 On October 29, 2021, the Bureau notified Experian that the Bureau was
20 conducting an investigation to determine whether there were violations of
21 Sections 605B, 607, and 611 of the Fair Credit Reporting Act, 15 U.S.C.
§§ 1681c-2, 1681e, 1681i (“the Bureau’s Investigation”) ...

22 The running of any applicable unexpired statute of limitations for any cause
23 of action or related claim or remedy that could be brought against Experian
24 by the Bureau arising from the Bureau’s Investigation shall be suspended
25 (1) from December 3, 2021 through and including January 31, 2023 and
26 (2) from July 26, 2024 through and including December 1, 2024 (the
27 “Tolling Periods”). In the event Experian raises or asserts a statute of
28 limitations defense, or any other defense based on delay or the passage of
time, the Parties hereby expressly agree that the Tolling Periods are
excluded for purposes of calculating the statute of limitations or delay
period.

1 124. Notwithstanding the parties' mistaken exclusion of Experian from the
2 Second, Third, and Fourth Tolling Agreements, the parties' agreements to toll the
3 statute of limitations apply to Experian, and the Bureau's claims are timely.

4 5 **FCRA VIOLATIONS**

6 7 **COUNT I**

8 **Failure to Conduct a Reasonable Reinvestigation and Failure to Provide** 9 **Furnishers with All Relevant Information in Violation of the FCRA, 15 U.S.C.** 10 **§ 1681i(a)(1)(A), (2)**

11 125. The allegations in paragraphs 1 through 109 are incorporated herein
12 by reference.

13 126. The FCRA requires a CRA to conduct a reasonable reinvestigation
14 and to notify and provide all relevant information regarding a dispute that it
15 received from the consumer to the furnisher of the disputed information. 15 U.S.C.
16 § 1681i(a)(1)(A), (2).

17 127. Experian does not conduct a reasonable reinvestigation or convey to
18 furnishers all relevant information it receives from consumers when it incorrectly
19 applies generic dispute codes despite more specific codes being available, uses
20 dispute codes that inaccurately describe consumers' disputes, and applies dispute
21 codes requesting updates that are already reflected on consumers' tradelines.

22 128. Experian does not conduct a reasonable reinvestigation or convey to
23 furnishers all relevant information it receives from consumers when it fails to
24 forward relevant consumer documentation.

25 129. Therefore, Experian's actions violated and continue to violate the
26 FCRA, 15 U.S.C. § 1681i(a)(1)(A), (2).

27 130. This claim arises from the Bureau's Investigation and any applicable
28 statute of limitations for this claim was suspended (1) from December 3, 2021
through and including January 31, 2023 and (2) from July 26, 2024 through and
including December 1, 2024, pursuant to the Fourth Tolling Agreement.

COUNT II

**Failure to Conduct a Reasonable Reinvestigation by Exclusively Relying on a
Furnisher's ACDV Response in Violation of the FCRA, 15 U.S.C.
§ 1681i(a)(1)(A)**

131. The allegations in paragraphs 1 through 109 are incorporated herein by reference.

132. Whenever a consumer disputes the completeness or accuracy of any item contained in his or her consumer file, a CRA is required to “conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate, and record the current status of the disputed information, or delete the item from the file in accordance with paragraph (5).” 15 U.S.C. § 1681i(a)(1)(A).

133. Rather than undertaking a reasonable reinvestigation, Experian unreasonably relies on furnishers' ACDV responses in at least three categories of disputes: (1) disputes where the consumer provided information that alerted or should have alerted Experian to the possibility that the furnisher might be unreliable, (2) disputes where Experian already had information that alerted or should have alerted Experian to the possibility that the furnisher might be unreliable and (3) disputes where Experian received illogical and inconsistent ACDV responses from furnishers that alerted or should have alerted Experian to the possibility that the furnisher might be unreliable. In each of these instances, Experian had affirmative notice that the information received from the furnisher may be suspect.

134. In such disputes, Experian possesses information that the disputed consumer data is inaccurate, and thus the original source of the disputed data – namely, the furnisher – is unreliable. Nevertheless, Experian uncritically accepts and implements furnishers' ACDV responses.

135. When Experian's reinvestigation consists solely of sending an ACDV to a furnisher and implementing the furnisher's response despite (1) having or receiving evidence of that furnisher's unreliability, and (2) the existence of readily

1 available, cost-effective additional investigative measures, Experian fails to
2 conduct a reasonable reinvestigation.

3 136. Therefore, Experian's actions violated and continue to violate the
4 FCRA, 15 U.S.C. § 1681i(a)(1)(A).

5 137. This claim arises from the Bureau's Investigation and any applicable
6 statute of limitations for this claim was suspended (1) from December 3, 2021
7 through and including January 31, 2023 and (2) from July 26, 2024 through and
8 including December 1, 2024, pursuant to the Fourth Tolling Agreement.

9
10 **COUNT III**
11 **Failure to Provide Notice of the Results of the Reinvestigation in Violation of**
12 **the FCRA, 15 U.S.C. § 1681i(a)(6)(A)**

13 138. The allegations in paragraphs 1 through 109 are incorporated herein
14 by reference.

15 139. The FCRA requires a CRA to provide written notice to a consumer of
16 the results of a reinvestigation. 15 U.S.C. § 1681i(a)(6)(A).

17 140. Experian's notices routinely fail to disclose the results of a
18 reinvestigation because the notices state two contradictory results, are incomplete,
19 or are unintelligible.

20 141. Therefore, Experian's actions violated and continue to violate the
21 FCRA, 15 U.S.C. § 1681i(a)(6)(A).

22 142. This claim arises from the Bureau's Investigation and any applicable
23 statute of limitations for this claim was suspended (1) from December 3, 2021
24 through and including January 31, 2023 and (2) from July 26, 2024 through and
25 including December 1, 2024, pursuant to the Fourth Tolling Agreement.

26 **COUNT IV**
27 **Failure to Reinvestigate Disputes About Hard Inquiries in Violation of the**
28 **FCRA, 15 U.S.C. § 1681i(a)(1)(A), (2)**

143. The allegations in paragraphs 1 through 109 are incorporated herein
by reference.

144. Whenever a consumer disputes the completeness or accuracy of any item contained in his or her consumer file, a CRA is required to “conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate.” 15 U.S.C. § 1681i(a)(1)(A).

145. After receiving notice that a consumer disputes any item of information contained in his or her consumer file, a CRA has five business days to notify the furnisher of the information disputed by the consumer and provide all relevant information regarding the dispute. 15 U.S.C. § 1681i(a)(2).

146. Experian only investigates hard inquiry disputes in limited circumstances, such as when the consumer alleges that the inquiry was a byproduct of fraud or identify theft. If a consumer disputes the accuracy of a hard inquiry without such allegations, however, Experian does not reinvestigate the dispute.

147. By not conducting a reasonable reinvestigation after consumers dispute the accuracy of a hard inquiry, which is an item of information in their consumer files, Experian violated and continues to violate the FCRA, 15 U.S.C. § 1681i(a)(1)(A).

148. By not informing the furnisher of a consumer's hard inquiry dispute, Experian violated and continues to violate the FCRA, 15 U.S.C. § 1681i(a)(2).

149. This claim arises from the Bureau's Investigation and any applicable statute of limitations for this claim was suspended (1) from December 3, 2021 through and including January 31, 2023 and (2) from July 26, 2024 through and including December 1, 2024, pursuant to the Fourth Tolling Agreement.

COUNT V
Failure to Forward Disputes
in Violation of the FCRA, 15 U.S.C. § 1681i(a)(2)(A)

150. The allegations in paragraphs 1 through 109 are incorporated herein by reference.

151. After receiving notice that a consumer disputes any item of information contained in his or her consumer file, a CRA has five business days to

1 notify the furnisher of the information disputed by the consumer. 15 U.S.C.
2 § 1681i(a)(2)(A).

3 152. Between January 2018 and October 2021, Experian did not forward
4 more than 2 million disputes to furnishers within five business days.

5 153. Therefore, Experian violated the FCRA, 15 U.S.C. § 1681i(a)(2)(A).

6 154. This claim arises from the Bureau's Investigation and any applicable
7 statute of limitations for this claim was suspended (1) from December 3, 2021
8 through and including January 31, 2023 and (2) from July 26, 2024 through and
9 including December 1, 2024, pursuant to the Fourth Tolling Agreement.

10 **COUNT VI**
11 **Deleting Tradelines Without an Investigation in Violation of the FCRA, 15**
12 **U.S.C. § 1681i(a)(1)(A)**

13 155. The allegations in paragraphs 1 through 109 are incorporated herein
14 by reference.

15 156. Whenever a consumer disputes the completeness or accuracy of any
16 item contained in his or her consumer file, a CRA is required to "conduct a
17 reasonable reinvestigation to determine whether the disputed information is
18 inaccurate, and record the current status of the disputed information, or delete the
19 item from the file in accordance with paragraph (5)." 15 U.S.C. § 1681i(a)(1)(A).

20 157. On more than 100,000 occasions, Experian received a dispute and
21 failed to complete a reinvestigation within 30 days.

22 158. Therefore, Experian violated the FCRA, 15 U.S.C. § 1681i(a)(1)(A).

23 159. This claim arises from the Bureau's Investigation and any applicable
24 statute of limitations for this claim was suspended (1) from December 3, 2021
25 through and including January 31, 2023 and (2) from July 26, 2024 through and
26 including December 1, 2024, pursuant to the Fourth Tolling Agreement.
27
28

COUNT VII

Failure to Delete Inaccurate, Incomplete, or Unverified Information in Violation of the FCRA, 15 U.S.C. § 1681i(a)(5)(A)

160. The allegations in paragraphs 1 through 109 are incorporated herein by reference.

161. The FCRA requires a CRA to delete any information found to be inaccurate, incomplete, or unverified after a reinvestigation. 15 U.S.C. § 1681i(a)(5)(A).

162. Experian did not delete more than 1,700 erroneous “joint user” statuses from consumers’ files despite the fact that the furnishers identified those statuses as inaccurate and requested their deletion.

163. Therefore, Experian violated the FCRA, 15 U.S.C. § 1681i(a)(5)(A).

164. This claim arises from the Bureau’s Investigation and any applicable statute of limitations for this claim was suspended (1) from December 3, 2021 through and including January 31, 2023 and (2) from July 26, 2024 through and including December 1, 2024, pursuant to the Fourth Tolling Agreement

COUNT VIII

Failure to Maintain Reasonable Procedures Designed to Prevent Reinsertion and Unlawful Reinsertion of Previously Deleted Information in Violation of the FCRA, 15 U.S.C. § 1681i(a)(5)(B), (C)

165. The allegations in paragraphs 1 through 109 are incorporated herein by reference.

166. Under the FCRA, “[i]f any information is deleted from a consumer’s file pursuant to [§ 1681i(a)(5)(A)], the information may not be reinserted in the file by the consumer reporting agency unless the person who furnishes the information certifies that the information is complete and accurate ...” 15 U.S.C.

§ 1681i(a)(5)(B)(i). The CRA must then “notify the consumer of the reinsertion ... not later than 5 business days after the reinsertion ...,” 15 U.S.C.

§ 1681i(a)(5)(B)(ii), and “provide to a consumer in writing not later than 5 business days after the date of reinsertion (I) a statement that the disputed information has been reinserted; (II) the business name and address of any

1 furnisher of information contacted and the telephone number of such furnisher, if
2 reasonably available, or of any furnisher of information that contacted the
3 consumer reporting agency, in connection with the reinsertion of such information;
4 and (III) a notice that the consumer has the right to add a statement to the
5 consumer's file disputing the accuracy or completeness of the disputed
6 information." 15 U.S.C. § 1681i(a)(5)(B)(iii).

7 167. Consumer reporting agencies are further required to maintain
8 reasonable procedures to prevent reinsertion of information previously deleted as
9 the result of a dispute. 15 U.S.C. § 1681i(a)(5)(C).

10 168. Experian's procedures for preventing reinsertion are limited to
11 preventing the same furnisher from reinserting a tradeline that had been previously
12 deleted. The procedures do not prevent a different furnisher from reinserting that
13 same tradeline.

14 169. Because Experian does not prevent new furnishers from reinserting
15 tradelines that Experian had deleted in response to a consumer dispute, Experian
16 fails to maintain reasonable procedures to prevent reinsertion of previously deleted
17 information.

18 170. Experian also reinserts information into consumers' files without
19 obtaining a furnisher certification and without notifying consumers within five
20 business days or otherwise adhering to the requirements of 15 U.S.C.
21 § 1681i(a)(5)(B).

22 171. Therefore, Experian's actions violated and continue to violate the
23 FCRA, 15 U.S.C. § 1681i(a)(5)(B), (C).

24 172. This claim arises from the Bureau's Investigation and any applicable
25 statute of limitations for this claim was suspended (1) from December 3, 2021
26 through and including January 31, 2023 and (2) from July 26, 2024 through and
27 including December 1, 2024, pursuant to the Fourth Tolling Agreement.
28

COUNT IX

Failure to Implement and Follow Reasonable Procedures to Assure Maximum Possible Accuracy in Violation of the FCRA, 15 U.S.C. § 1681e(b)

173. The allegations in paragraphs 1 through 109 are incorporated herein by reference.

174. The FCRA requires a CRA to follow reasonable procedures to assure maximum possible accuracy of the credit information they report on consumers. 15 U.S.C. § 1681e(b).

175. Because Experian does not prevent new furnishers from reinserting tradelines that Experian had previously deleted in response to a consumer dispute, Experian fails to follow reasonable procedures to assure maximum possible accuracy of the credit information it reports on consumers.

176. Therefore, Experian's actions violated and continue to violate the FCRA, 15 U.S.C. § 1681e(b).

177. This claim arises from the Bureau's Investigation and any applicable statute of limitations for this claim was suspended (1) from December 3, 2021 through and including January 31, 2023 and (2) from July 26, 2024 through and including December 1, 2024, pursuant to the Fourth Tolling Agreement.

CFPA VIOLATIONS

178. The CFPA prohibits covered persons from offering or providing to a consumer any financial product or service not in conformity with Federal consumer financial law, otherwise committing any act or omission in violation of a Federal consumer financial law, or engaging in any unfair, deceptive, or abusive act or practice. 12 U.S.C. §§ 5531(a), 5536(a)(1).

179. Under the CFPA, an act or practice is unfair when it "causes or is likely to cause substantial injury to consumers which is not reasonably avoidable by consumers; and ... such substantial injury is not outweighed by countervailing benefits to consumers or to competition." 12 U.S.C. § 5531(c)(1).

COUNT X

**Unfair Acts or Practices: Excessive and Unreasonable Reliance on a
Furnisher's ACDV Response**

180. The allegations in paragraphs 1 through 109 are incorporated herein by reference.

181. Experian's practice of conducting an investigation by doing nothing more than sending an ACDV to a furnisher and implementing the furnisher's response, and not seeking or taking into account additional, relevant information as part of its reinvestigation, despite having or receiving evidence of that furnisher's unreliability, is unfair.

182. As alleged in paragraphs 52 to 68, Experian's reliance on furnishers' ACDV responses causes inaccurate information to remain in consumer reports.

183. Because this practice causes and is likely to cause inaccurate reporting to remain on consumer reports, it thereby causes and is likely to cause substantial injury.

184. Consumers cannot reasonably avoid the injury because Experian controls the dispute process and what items appear on consumer reports. The dispute and reinvestigation process—particularly the details of how Experian handles disputes and conducts reinvestigations—is largely unknown to consumers.

185. The practice does not provide countervailing benefits to consumers or to competition. Neither consumers nor competition benefit from Experian's inadequate reinvestigation procedures.

186. Therefore, Experian has engaged, and continues to engage, in unfair acts and practices in violation of the CFPA. 12 U.S.C. §§ 5531(c), 5536(a)(1)(B).

187. This claim arises from the Bureau's Investigation and any applicable statute of limitations for this claim was suspended (1) from December 3, 2021 through and including January 31, 2023 and (2) from July 26, 2024 through and including December 1, 2024, pursuant to the Fourth Tolling Agreement.

COUNT XI

Unfair Acts or Practices: Failing to Prevent Improper Tradeline Reinsertions

188. The allegations in paragraphs 1 through 109 are incorporated herein by reference.

189. Experian improperly reinserts tradelines into consumer reports due to its practice of not attempting to match newly reported tradelines to tradelines that were previously deleted as a result of a dispute if the subsequent furnishing was from a new furnisher.

190. This practice causes or is likely to cause substantial injury by increasing the likelihood that previously deleted and erroneous information reappears in a consumer's file. Moreover, because Experian fails to notify consumers that new furnishers reinserted previously deleted information, consumers are unaware that they should file a dispute to challenge such information, thereby increasing the amount of time that erroneous information appears on consumer files.

191. Consumers cannot reasonably avoid the injury because they cannot control what Experian puts on their consumer reports.

192. No countervailing benefits to consumers or to competition exist. There is no consumer benefit to Experian's failure to prevent the reinsertion of deleted tradelines, and no legitimate benefit to competition.

193. Therefore, Experian has engaged and continues to engage in unfair acts and practices, in violation of the CFPA. 12 U.S.C. §§ 5531(c), 5536(a)(1)(B).

194. This claim arises from the Bureau's Investigation and any applicable statute of limitations for this claim was suspended (1) from December 3, 2021 through and including January 31, 2023 and (2) from July 26, 2024 through and including December 1, 2024, pursuant to the Fourth Tolling Agreement.

COUNT XII
Violations of the CFPA Arising From FCRA Violations

195. The allegations in paragraphs 1 through 109 are incorporated herein by reference.

196. Section 1036(a)(1)(A) of the CFPA prohibits a covered person from offering or providing to a consumer any financial product or service not in conformity with “Federal consumer financial law” or otherwise committing any act or omission in violation of a “Federal consumer financial law.” 12 U.S.C. § 5536(a)(1)(A).

197. The Fair Credit Reporting Act is an “enumerated consumer law,” 12 U.S.C. § 5481(12)(F), and therefore a “Federal consumer financial law.” 12 U.S.C. § 5481(14).

198. Therefore, Experian’s violations of the Fair Credit Reporting Act, described above in Counts I through IX, constitute violations of the CFPA, 12 U.S.C. § 5536(a)(1)(A).

199. This claim arises from the Bureau’s Investigation and any applicable statute of limitations for this claim was suspended (1) from December 3, 2021 through and including January 31, 2023 and (2) from July 26, 2024 through and including December 1, 2024, pursuant to the Fourth Tolling Agreement.

DEMAND FOR RELIEF

200. Wherefore, the Bureau requests, under 12 U.S.C. § 5565, that the Court:

a. permanently enjoin Experian from committing future violations of the CFPA, FCRA, Regulation V, or any provision of “Federal consumer financial law,” as defined by 12 U.S.C. § 5481(14);

b. grant additional injunctive relief as the Court may deem just and proper;

c. order Experian to pay redress to consumers harmed by its unlawful conduct, including restitution, damages, refunds, or other monetary relief;

1 d. order Experian to disgorge any ill-gotten gains;
2 e. impose civil money penalties on Experian;
3 f. award costs against Experian; and
4 g. award additional relief as the Court may determine to be just
5 and proper.

6 Dated: August 22, 2025

Respectfully submitted,

7 Michael G. Salemi
8 Principal Deputy Enforcement Director

9 Deborah Morris
10 Assistant Principal Deputy Enforcement
11 Director

12 Elizabeth Tucci
13 Assistant Deputy Enforcement Director

14 Max Weinstein
15 Enforcement Attorney

16 /s/ Max Weinstein

17 Max Weinstein (admitted *pro hac vice*)
18 Email: max.weinstein@cfpb.gov
19 Phone: (202) 435-9172

20 Colin Hector, Cal. Bar No. 281795
21 Email: colin.hector@cfpb.gov
22 Phone: (681) 326-7093

23 Tracy Hilmer (admitted *pro hac vice*)
24 Email: tracy.hilmer@cfpb.gov
25 Phone: (202) 435-7459

26 *Enforcement Attorneys*

27 Consumer Financial Protection Bureau
28 1700 G Street, NW
29 Washington, DC 20552

30 *Attorneys for Plaintiff*
31 *Consumer Financial Protection Bureau*